



July 11, 2018

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

RE: **Ex parte filing** in WC Docket Nos. 10-90, 14-58, 07-135, 16-271 and 18-155; and CC Docket No. 01-92

Dear Ms. Dortch:

On July 9, the undersigned from GVNW Consulting, Inc. (GVNW) conducted separate *ex parte* meetings with Wireline Legal Advisor Dr. Jay Schwarz from Chairman Pai's office, Chief of Staff Jamie Susskind from Commissioner Carr's office and with Chief of Staff Travis Litman from Commissioner Rosenworcel's office.

The *ex parte* meetings included my observation that the vast majority of comments and reply comments argued against instituting reverse auctions into the FCCs' competitive process. As noted in the comments and replies from the Illinois RLECs, the burdensome aspects of the current process could be eliminated by replacing the Form 477 trigger with a "*substantiated assertion and associated data submission from a purported unsubsidized competitor.*"

Maintaining adequate and sufficient federal universal service funding (FUSF) is required for implementation of all of the Commission's universal service initiatives. I noted in each of the *ex parte* discussions that the record developed in the comment and reply comment round offered broad support for creating sufficiency in the federal universal service budget. I specifically referenced the NTCA figures of \$2.55 billion as the total support that will be needed in 2018, and that budget demands will grow to approximately \$2.8 billion¹ in total support by 2026. I also stressed the public policy benefits of applying annual inflation adjustments to each federal universal service program, in order to enable scalable networks.

¹ However, included in NTCA's calculations is the assumption that the \$45 million per year allocated to the Alaska Plan stays constant over the term of the Alaska Plan. For the same reasons that an inflation adjustment on the total rate of return high-cost support universal service fund is required, so is an inflation adjustment on the Alaska Plan funding. Given that the Alaska Plan is merely 1.61 percent of the approximately \$2.8 billion fund supported by GVNW and the rural associations as sufficient for the rate-of-return portion of the fund, such an adjustment should not materially affect the total fund size.

I also discussed the need to maintain docket discipline on the current intercarrier compensation dockets related to access arbitration and properly notice any broader policy issues to ensure a proper public policy discussion is achieved. We support targeted efforts to eliminate access arbitration and other abuses of the intercarrier compensation system. Without care to use a surgical approach to address access stimulation, the Commission could create unintended consequences that go well past addressing access arbitration and ultimately harm rural customers and the statutory mandate of universal service.

As required by the Commission's rules, this *ex parte* record is now filed in the above referenced dockets. If there are any questions, please call me on 503.612.4409.

Respectfully submitted,

Via ECFS 7/11/18

Jeffrey H. Smith
President and CEO

Copy to

Jay Schwarz, FCC
Jamie Susskind, FCC
Travis Litman, FCC